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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
 dba COIN CLOUD

Debtor.

Case No. BK-23-10423-MKN

Chapter 11

**DECLARATION OF DANIEL AYALA IN
 SUPPORT OF OBJECTION TO CLAIM
 NUMBER 136 FILED BY THORNTONS LLC**

Hearing Date: September 21, 2023

Hearing Time: 10:30 a.m.

I, Daniel Ayala, declare as follows:

1. I am the Independent Director of Cash Cloud, Inc., dba Coin Cloud, the debtor and debtor-in-possession (the “Debtor”).

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would testify competently to the facts set forth in this Declaration.¹ I make this Declaration in support of the objection captioned above (“Objection”).

3. On February 7, 2023 (the “Petition Date”), the Debtor initiated its Chapter 11 Case by filing a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

¹ Unless otherwise defined herein, all capitalized terms have the meanings ascribed them in the Objection.

4. The deadline for filing a proof of claim in this case is June 14, 2023. The deadline for filing a proof of claim for a governmental unit is August 7, 2023.

5. On June 14, 2023, the Debtor filed the *Sixteenth Omnibus Motion for Entry of Order Approving Rejection of Executory Contracts and Unexpired Leases Pursuant to 11 U.S.C. § 365(a)* (the “Sixteenth Omnibus Motion to Reject”) [ECF 696]. The Sixteenth Omnibus Motion to Reject listed the agreements between the Debtor and Thorntons as agreements to be rejected as of June 14, 2023.

6. On June 29, 2023, Debtor filed an *Emergency Motion For Entry Of An Order Establishing Administrative Claim Bar Date For Filing Proofs Of Administrative Expense Claim And Approving Form, Manner And Sufficiency Of Notice Thereof; Memorandum Of Points And Authorities In Support Thereof* requesting that a deadline of July 20, 2023 be set for the filing of administrative expense claims. [ECF 789].

7. On July 7, 2023, Thorntons LLC (“Thorntons”) filed a proof of claim in the amount of \$2,269,800.00 (“POC 136”). A true and correct copy of POC 136 is attached to the Objection as Exhibit 1. An attachment to POC 136 sets forth the basis of the claim, wherein Thorntons alleges that it is owed the following: (i) a prepetition amount of \$397,800, (ii) general contract damages in the amount of \$1,591,200.00, and (iii) an administrative claim of \$280,800.00. Thus, Thorntons alleges that it is owed a “total of \$2,269,800.00 in damages.” Thorntons also state in POC 136 “[p]ursuant to the Agreement, Debtor owes Thorntons \$450 per month per location, or \$4.00 per transaction from the Kiosks, whichever is greater. With 208 store locations housing Debtor's Kiosks, that amounts to \$93,600 that Debtor owes Thorntons each month.”

8. Thorntons did not set a hearing on its request for an administrative claim as required pursuant to 11 U.S.C. § 503(a).

9. On July 11, 2023, an *Order Establishing Administrative Claim Bar Date For Filing Proofs Of Administrative Expense Claim And Approving Form, Manner And Sufficiency Of Notice Thereof* was entered. [ECF 823].

1 10. On July 26, 2023, an *Order Granting Sixteenth Omnibus Motion for Entry of Order*
2 *Approving Rejection of Executory Contracts and Unexpired Leases Pursuant to 11 U.S.C. § 365(a)*
3 *And Setting Rejection Damages Claim Deadline* was entered (“Order Granting Sixteenth Omnibus
4 Motion To Reject”) [ECF 949]. The Sixteenth Omnibus Motion Order provides, in significant part,
5 that the Debtor’s rejection of the Contracts and/or Leases listed therein was effective as of the date
6 of the filing of the motion, or June 14, 2023.

7 11. The monthly amount owed to Thorntons postpetition is \$93,600.00 per month.
8 Thorntons was paid through April 2023. However, the agreement with Thorntons was rejected
9 pursuant to the Order Granting Sixteenth Omnibus Motion To Reject, with such rejection being
10 effective as of June 14, 2023. As such, I believe amounts claimed as an administrative claim
11 including and after June 14, 2023 must be disallowed. Accordingly, Thorntons has an
12 administrative expense claim for the period of May 1, 2023 to June 13, 2023 in the amount of
13 \$134,160.00.

14 12. The Debtor’s records indicate that Thorntons is owed a prepetition claim amount of
15 \$397,800. However, Thorntons’ claim is not otherwise properly supported. Thorntons has not
16 provided a breakdown or calculation of its claim for “general contract damages” in the amount of
17 \$1,591,200.00. As a result, I believe that the claim cannot be properly reviewed for accuracy.

18 I declare, under penalty of perjury of the laws of the United States of America, that the
19 foregoing statements are true and correct to the best of information, knowledge and belief.

20 Executed this 8th day of August, 2023 in Las Vegas, Nevada.

21 /s/ Daniel Ayala
22 DANIEL AYALA